



TD 2014/D10W2 - Notice of Withdrawal - Income tax: does forex realisation event 4 happen to the debtor under subsection 775-55(1) of the Income Tax Assessment Act 1997 on repayment of a loan taken out prior to the effective date of a choice to use the applicable functional currency and denominated in the same non-AUD currency that later becomes the applicable functional currency?

 This cover sheet is provided for information only. It does not form part of *TD 2014/D10W2 - Notice of Withdrawal - Income tax: does forex realisation event 4 happen to the debtor under subsection 775-55(1) of the Income Tax Assessment Act 1997 on repayment of a loan taken out prior to the effective date of a choice to use the applicable functional currency and denominated in the same non-AUD currency that later becomes the applicable functional currency?*

 This document has changed over time. This is a consolidated version of the ruling which was published on *26 June 2024*



Notice of Withdrawal

Draft Taxation Determination

Income tax: does forex realisation event 4 happen to the debtor under subsection 775-55(1) of the *Income Tax Assessment Act 1997* on repayment of a loan taken out prior to the effective date of a choice to use the applicable functional currency and denominated in the same non-AUD currency that later becomes the applicable functional currency?

1. TD 2014/D10 deals with whether subsection 775-55(1) of the *Income Tax Assessment Act 1997* is satisfied on repayment of a loan obligation which straddles the effective date of an applicable functional choice and which is denominated in the same non-AUD currency as the applicable functional currency.
2. Following comments received as part of the public consultation process for TD 2014/D10, the ATO withdrew the draft Determination on 8 October 2014.
3. We now consider a new draft determination is unwarranted due to insufficient demand. Furthermore, we also now consider that it would not be correct to take the view that forex realisation event 4 does not happen in the circumstances outlined in former TD 2014/D10.
4. We will apply the view that forex realisation event 4 happens in the circumstances outlined in former TD 2014/D10 to gains and losses where the applicable functional currency election is made on or after 12 June 2024.

Commissioner of Taxation
8 October 2014

ATO references

NO: 1-5FAVENP
ISSN: 1038-8982

© AUSTRALIAN TAXATION OFFICE FOR THE COMMONWEALTH OF AUSTRALIA

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).